LORIEN HARFORD, Inc. DBA LORIEN NURSING & REHABILITATION CENTER BEL AIR (MATTER NO. 15 – 12 – 2358)
RESPONSES TO COMPLETENESS QUESTIONS

1. The project implementation target dates in the CON awarded to Lorien Bel Air on February 20, 2014 (Docket No. 13-12-2345) include entering into a binding construction contract by February 20, 2016 and initiating construction no later than June 1, 2016. Yet the target dates in this application extend to "24 months from approval" for obligation of the capital expenditure, and commencing construction 4 months after that. Given that the application describes the projects to be unified, please explain: would approval of this project result in a delay from the timeframe specified in the earlier approval?

Response: The Applicant listed the applicable Target Dates at 'Part I Project Identification and General Information', Item 12, in accordance with the CON Form Set Instructions which provide as follows:

> "**(Instruction: In completing Items 12 & 13, Please note Applicable Performance Requirement Target Dates Set Forth in Commission Regulations, COMAR 10.24.01.12)**"

(emphasis original).

Further, for all of the reasons discussed below, the Applicant does expect that new performance requirements would be applied. Further, the Applicant considers this issue as one involving the orderly development of a much larger project than originally planned rather than Staff's characterization of the above Performance Requirements as a simple "delay". Staff has raised this issue during its February 27, 2015 meeting with the Applicant and also in its first 'Completeness Question', and therefore it must be addressed here and for the record.

In this regard, the Applicant must *respectfully* note for the record that the development schedule for the previously approved expansion project has already lost much time as a result of (1) MHCC Staff's failure to timely issue the actual Certificate of Need until nearly 3 months after the Commission formally approved it at its February 20, 2014 meeting; and (2) the MHCC Staff's failure to properly and accurately apply the SHP Bed Need Methodology. As a result, Harford County residents have been denied access to needed resources in a timely manner and also have suffered the loss of valuable economic development. The Applicant itself has suffered delays and the needless expenditure of its resources. These matters merit brief additional explanation, below.

(1) Delays in the issuance of the CON: The MHCC's own records show that the CON was not issued until May 16, 2014, nearly three months after its approval on February 20, 2014 (see Letter dated May 21, 2014 from James A. Forsyth to Executive Director Steffen regarding acknowledgment of CON receipt). During that three month period, Lorien Bel Air did not feel

comfortable in undertaking further development activities without the CON authorization in assumption that the matter had inexplicably been overlooked.

Once the CON was in hand, the Applicant was able to proceed with the process of finalizing the design. It held internal design meetings on June 4, 11, and 18, 2014. The purpose of these meetings was to review the Concept Drawings submitted with the original, approved CON Application and consider modifications, including redesigning the 1st Floor addition and constructing space to house a relocated Rehabilitation Therapy department. [1] It had confidential discussions with third parties on potential health related activities in redesigned non CON-regulated space in the expanded facility. It met with its Architect in August, 2014 to discuss design changes and improvements, including re-locating the Rehabilitation Therapy space to new areas on the 1st Floor at the expanded facility.

These activities continued into early Fall, 2014 and counsel was consulted on whether a Modification to the CON would be required. However, before a meeting the MHCC Staff could be requested to discuss potential changes, the orderly development process was again disrupted by the MHCC's surprise announcement of the issuance of corrected Bed Need Projections.

(2) Corrected SHP Bed Need Projections: Specifically, without any advance notice to the Applicant, MHCC Staff determined to correct its errors in previously applying the State Health Plan Bed Need Methodology. New Bed Need projections were announced in the October 3, 2014 edition of the Maryland Register. Amongst other things, the corrected projections showed that the MHCC Staff had understated bed need in several jurisdictions, including Harford County. As a result, the SHP shows that the County has a need for 97 additional beds. Further, MHCC established a new review schedule requiring new CON Applications to be submitted only four months later.

By the time MHCC issued the corrected Bed Need projections, Lorien Bel Air had come to believe that it would experience increasing demand for placements as a result of its growing reputation in the County, its strong relationship with the hospital, its greater focus on rehabilitative services, and the County's demographic trends. It also correctly believed no other existing Harford County facility would come forward to meet the newly identified needs of county residents (see Response to Question 10, infra). Thus, the circumstances confronting

1 The space originally considered as the potential site of a re-located Rehabilitation Therapy area, currently on the 2nd Floor, is not the same space shown on the new proposed plans submitted with this Application. As a result of the larger addition proposed in this project, a better site for the relocated Rehabilitation Therapy area has been identified on the 1st Floor. (See attached 1st Floor Drawings; see also Response to Question 2).

Lorien Bel Air dictated a larger project proposal.

The process for the orderly development of health care resources in Harford County, and other counties[2], has been damaged and the efficient deployment of needed resources has been delayed. However, Lorien Bel Air is simply not responsible for any delays in implementing Harford County health care infrastructure and enjoys very strong community support as it adjusts its strategic planning and original development activities in order to meet the newly identified needs of Harford County.

The Applicant feels it is ironic that Staff apparently has concerns about whether new Performance Requirements for the much larger proposed project should be issued. Yet it is the Applicant which has already sacrificed its time and resources to ensuring that Staff's Bed Need Projection mistake is corrected in an efficient manner and all the need for Comprehensive Care Services is met.

In addressing Performance Requirements, it is also important to recognize that the proposed project is substantially larger than the previously approved project. The 21 – Nursing Bed plus 20 ALUs approved project consisted of a 9,733 sf addition to the 3rd Floor CCF and 19,466 sf on the 1st and 2nd Floor additions. The current Application proposes a total addition to the Nursing Facility component of 24,483 sf consisting of an 18,320 sf addition to the 3rd Floor, and the construction of 5,163 sf of new space on the 1st Floor to house the relocated Rehabilitation area which is more than doubling in size from its current 2,078 sf (*see* Response to Question 2, infra). All told, the new project totals 54,960 sf as compared to the original's 29,199 sf (see Application, Response to Item 14 at p. 16; and Table B at p. 19). Any 'delays' are therefore not the fault of this project which seeks to present a positive response to the MHCC identified bed needs.

Staff has made it extremely clear that it is concerned about 'delays' in project implementation and has taken the position that extensions of Performance Requirements by the Executive Director of the MHCC for good cause in a prior project is a 'black mark' against an Applicant. The Applicant strongly disagrees with that position as a matter of law, policy and principle, and also in defense of the track record Staff's counsel ascribes to this Applicant. As a result, it has become clear that it behooves any Applicant to avoid voluntarily agreeing to shorter Performance Requirements except in unusual circumstances.

[2] The Applicant understands that legislation has been introduced in the House of Delegates seeking to redress the negative impact on one pending CON Applicant of the Bed Need Projection error in St. Mary's County. (See HB 1256).

Staff has also suggested that Lorien Bel Air could simply have chosen to proceed with its original project. But, this would mean that Lorien Bel Air would have in effect ignored the identified needs of Harford County contrary to its mission. In addition, it would have turned a blind eye to the high demand for admission to Lorien Bel Air which the facility expects to increase as it assumes an increasing profile in the community through such activities as its Telemedicine initiative, its increasingly close relationship with University of Maryland Upper Chesapeake Health Care, and other anticipated future non-CON regulated health related development on its campus.

Finally, Lorien Bel Air is heartened that it is contributing to Governor Hogan's announced priorities to make Maryland more business friendly, to encourage economic development, and to effectuate job creation. These goals are quite compatible with the goals of the CON process particularly when it is presented with a model of care that the MHCC has praised as "an innovative model" which is to be

"… commended and encouraged, as a model that contributes to a higher quality of life." (*See* Decision, January 17, 2002, *Lorien LifeCenter - Ellicott City*; D.N.01-13-2081).

For all of these reasons, the new Performance Requirements are entirely appropriate.

2. *Why is the rehabilitation therapy unit relocating from the second to the first floor? Provide some details as to the enhancements or benefits that the patients will receive as a result of the relocation of the rehabilitation therapy unit to the first floor.*

Response: The changing health care system is seeing a greater emphasis on rehabilitation services. Lorien Bel Air's existing Rehabilitation Therapy area on the 2nd Floor is housed in 2,078 sf of space and in Lorien's opinion needs to be enlarged to adequately serve the needs of its residents, particulary in view of the additional residents to be served as a result of its expansion.

Relocation to new space on the 1st Floor will allow the therapy area to be located in a space with higher 12' ceilings which will have a positive psychological impact and eliminate cramped feelings. The larger available space will grow from 2,078 to 5,163 sf thus allowing more equipment to be installed as the Resident population grows, and more activities.

The new space will also be served by a new Elevator which is located adjacent to the Rehabilitation Therapy area. As shown on the Drawings, the new Elevator will provide easy access for Residents in the new 48 Bed Unit which is expected to serve short term rehabilitation patients.

Locating the Rehabilitation Therapy department to the 1st Floor also allows rehabilitation

patients easy access to the outdoor Courtyard through the spacious exit doors. Thus, the new location will allow appropriate outdoor therapy activities to occur such as walking on varied surfaces, and also enable other rehabilitation activities such as facilitating car transfers. At the same time, the larger space with outdoor access will enhance quality of life for Lorien Bel Air's residents.

3. *The project drawings in Appendix 1 lack a number of details. Please provide another set of project drawings which identify the following:*

    a. *The location of the nurse's stations on each nursing unit.*
    b. *The location of elevators on the third floor. How will patients in the three nursing units move between the first and third floors?*
    c. *The location of such areas like a kitchen, dining, activities space, and any other general spaces available for use by the patients and staff on the third floor.*
    d. *The location on the second floor where the five assisted living units will replace the existing rehabilitation therapy unit*
    e. *The location on the first floor for the relocated rehabilitation therapy unit.*

Response: A new set of dated and labeled Drawings are attached showing the information requested by sections a. through e, above.

Re item b., residents in the three Nursing Units will move between the 1st and 3rd Floors by use of the three existing and one new Elevator as shown on the Drawings.

4. *It is not clear which of Tables F, H, and I (and an additional Table "H.i.") provide data for the combined 48 beds as opposed to the subject of this application, which is a 27-bed addition. Please explain and submit revised tables as needed to delineate the marginal impact of the proposed 27 beds.* **[Subsequently changed by MHCC Staff in discussions with the Applicant to instead ask for explanations of the Tables as submitted]**

Response: The submitted Tables as presented, reflect data and are integrated as follows:

- *Table A* - Bed Capacity "before the project" columns, represent the existing facility. The Bed Capacity "after project completion", includes an additional 48 comprehensive care beds (the 21 beds previously approved in 2013 and the 27 applied for beds) as well as a

total of 34 additional assisted living units (20 units per the 2013 project and an additional 14 units associated with this project application).

- *Table B* - Construction Characteristics for the entire project's 48 CCF beds and 34 AL units are reflected in their respective columns in the "New Construction" section. In addition, renovation costs associated with the CCF and ALU associated with this project are reflected in their respective columns in the "Renovation: section.

- *Table C* - Site Construction costs for the entire project's 48 CCF beds and 34 AL units are reflected in their respective columns.

- *Table D* - Project Costs for the entire project's 48 CCF beds and 34 AL units are reflected in their respective columns.

- *Table E* - Utilization data and statistics for years 2013-2015 reflect the existing facility as reflected on Table A "before the project" section of bed/unit capacity. Utilization data and statistics for years 20X1-20X3 reflect the Table A "after project completion" section of bed/unit capacity- a total of 117 CCF beds and 90 AL units.

- *Table F* - Utilization data and statistics for years 20X1-20X3 reflect the 48 CCF beds and 34 AL units.

- *Table G* - Revenues and Expenses for years 2013-2015 reflect the existing facility as reflected on Table A "before the project" section of bed/unit capacity. Revenues and Expenses for years 20X1-20X3 reflect the Table A "after completion" section of bed/unit capacity- a total of 117 CCF beds and 90 AL units.

- *Table H* - Revenues and Expenses for years 20X1-20X3 reflect the 48 CCF beds and 34 AL units.

- *Table H.i.*- Revenues and Expenses present supplemental information for Table H, year 20X3, by service component (Comprehensive Care and Assisted Living).

- *Table I* - Workforce information in the "Current Entire Facility" columns reflects the existing workforce data for the existing facility as reflected on Table A "before the project" section of bed/unit capacity. The workforce information in the "Projected

- Changes as a Result of the Proposed Project…" column pertains to the 48 CCF beds and 34 AL units. The "Projected Entire Facility Through the Last Year of Projections" column pertains to the Table A "after completion" section of bed/unit capacity- a total of 117 CCF beds and 90 AL units.

- *Table J* - Scheduled Staff data reflects the staffing for the three nursing units associated with the "after completion" bed capacity as reflected on Table A- 117 CCF beds.

5. *Regarding Table G, please address the following:*

   a. *The projected Medicaid utilization rate as a percent of patient days is projected to range from 28.6% in 20X1 to 30.1% in 20X3. Please explain how this aligns with the Medicaid MOU commitment made elsewhere in the application.*
   b. *Please discuss the basis for the assumption that Lorien Bel Air will have a Self Pay utilization of 45+% between 20X1 to 20X3.*

Response: Regarding 5a, Staff misinterpreted Table G to state the CCF's Medicaid Utilization. The proper Table to view this data is Table Hi which states a projected Medicaid rate of 59% for the incremental 48 bed addition to the CCF only. The Medicaid and Private Pay patient day utilization percentages on Table G represent the percentages all operations, *including Assisted Living*. Please note that the supplemental information included with Table G regarding revenue recognition includes information of patient days by payer (for the Nursing Facility component) as well as patient days for "Self Pay - ALU". All Assisted Living Unit ("ALU") residents are projected to be private pay. When you adjust the utilization percentages by removing ALU patient days, Medicaid utilization for the *entire* Nursing Facility component is as follows:

Payer Mix	**20X1**		**20X2**		**20X3**	
	Days	NH %	Days	NH %	Days	NH %
Medicare	11,497	35.4%	13,140	33.0%	13,140	33.0%
Medicaid	15,996	49.2%	21,170	53.2%	21,170	53.2%
Insurance	2,999	9.2%	3,284	8.3%	3,284	8.3%
Self Pay	2,000	6.2%	2,190	5.5%	2,190	5.5%
NH Total	32,492	100.0%	39,784	100.0%	39,784	100.0%
ALU- Priv.	23,405		29,686		29,686	
Grand Total	55,897		69,470		69,470	

As shown above, the Medicaid utilization is 49.2% in 20X1 and 53.2% in 20X2 and 20X3, which is above the 47.77% required Medicaid participation rate for Harford County as published in the February 21, 2014 Maryland Register (the most recently published participation rate table).

Regarding 5b, the self-pay utilization rate for the *entire* Nursing Facility component is projected to be 6.2% in 20X1and 5.5% in 20X2 and 20X3.

6. *What are the respective projected ALOS for the long term and short-term rehab patients?*

Response: The projected ALOS is 250 days for patients in the long term unit and 19 days for patients in the short term unit. The projected blended ALOS for both units is approximately 42 days, which is in line with FY 2014 actual ALOS of 42.27 days.

7. *From the CMS Nursing Home Compare website, Lorien Belair received one star out of five, or a much below average finding, for Quality Measures from its last reported Health Inspection conducted on November 15, 2013. Please discuss the applicant's progress in improving the following Quality Measures, which reported that Lorien Belair had underperformed:*

    a. *Short stay presidents who self-report moderate to severe pain*
    b. *Short stay residents with pressure ulcers that are new or worsened*
    c. *Long stay residents with a urinary tract infection*
    d. *Long stay residents who self-report moderate to severe pain*
    e. *Long stay high risk residents with pressure ulcers*
    f. *Long stay residents who lose control of their bowels or bladder*
    g. *Long stay residents who have had a catheter inserted and left in their bladder*
    h. *Long stay residents whose need for help with daily activities has increased*
    i. *Long stay residents who lose too much weight*
    j. *Long stay residents who have depressive symptoms.*

Response: First, please note that the Applicant believes that the MHCC Staff should not use the newly revised CMS Quality Measures rating system announced 2/20/2015 to assess quality of care at Nursing Facilities, particularly those of a small size such as Lorien Bel Air. The Quality Measures, which are only one component of the overall rating system, can be very misleading and are intended to be only the beginning of such an assessment.

Further, the SHP review Criterion relies on the actual Survey Results conducted by OHCQ in addressing quality issues. It is very important to first address the CMS rating system, its self-acknowledged shortcomings, and why it really does not present an accurate picture of Quality of Care at Lorien Bel Air.

While it is an easy to use tool, the CMS Nursing Home Compare website itself acknowledges its shortcomings. In this regard, consumers are advised that it is also important for consumers to speak to the facility Staff about these measures and to review other measurements. Thus, CMS explains that the in person Survey process is important:

- *Comprehensive:* The nursing home health inspection process looks at all major aspects of care in a nursing home (about 180 different items).
- *Onsite Visits by Trained Inspectors:* This is the only source of information that comes from a trained team of objective surveyors (inspectors) who visit each nursing home to check on the quality of care, inspect medical records, and talk with residents about their care.
- *Federal Quality Checks:* Federal inspectors check on the state inspectors' work to make sure they are following the national process and that any differences between states stay within reasonable bounds.

Further, the CMS site notes that the data used for comparisons used for the comparisons is self-reported by the facilities rather than collected and reported by an independent agency[3] as Staff has suggested. Specifically, the CMS website notes the following:

- *"Self-Reported Data:* The quality measures are self-reported by the nursing home, rather than collected and reported by an independent agency."

- *"Just a Few Aspects of Care:* The quality measures represent only a few of the many aspects of care that may be important to you."

[3] Staff's Question 7 incorrectly refers to the Quality Measures as being from the facility's "… last reported Health Inspection conducted on November 15, 2013." As noted the Quality Measures finding is based on unadjusted selections taken from the residents' MDS assessments which are performed by a facility within 5 days of a Resident's admission to the facility. As the CMS website states, the data "are derived from clinical data reported by the nursing home".
(*See* Step 5, item 2 at http://www.medicare.gov/NursingHomeCompare/About/HowWeCalculate.html; *see* also http://www.medicare.gov/NursingHomeCompare/About/Quality-Measures-Info.html).

(*See* http://www.medicare.gov/NursingHomeCompare/About/Strengths-and-Limitations.html).

It should also be noted that CMS has just changed its Quality Measurements methodology with the result that one in 3 Nursing Facility's saw drops in its CMS 5 Star Rating System. As a result of the reduction in the Quality Measures metric, Lorien Bel Air's ranking fell from 5 Stars when the CON Application was filed to its current 4 Star ranking, which is still very good, notwithstanding the shortcoming s in the Quality Measures methodology noted here.

The MHCC should also be advised that since the 5 Star system is based on ongoing MDS data, the CMS Quality Measures ranking changes monthly.

The Quality Measure methodology also gives a distorted reflection of Lorien Bel Air's Quality of Care. Most importantly, the facility has never had a Level 3 deficiency and has a good survey history. Even the Overall CMS rating has been 5 Stars until two weeks ago, and is 4 Stars now. But because the Quality Measurements are based on percentages of residents with a given condition, Lorien Bel Air's small 69 – bed size results in unfair comparisons with facilities with much higher bed complements. Further, the CMS methodology does not appear to adjust for higher acuity residents seen by Lorien Bel Air.

The size issue also is shown by CMS' finding that Lorien Bel Air did not have the necessary number of eligible resident Quality Measure assessments during the necessary 3 Quarters of reporting: Moderate to Severe Pain and Loss of control of Bowel and/or Bladder. One Quality Measure did not have enough resident assessments for two quarters: High Risk for Pressure Sores. Another Quality Measure did not have enough resident assessments for one quarter: increase in Need for help with daily activities.

Accordingly, three areas did not even have enough resident assessments necessary to utilize standard calculations. Thus, there was insufficient information based on the assessments submitted to CMS and therefore a risk value for that particular Quality Measure was assigned. This puts Lorien Bel Air at a comparative disadvantage.

Lorien Bel Air's data during this period also was skewed by the inclusion of at least six Hospice residents in the data being reported. Here are some further specifics on the Quality indicators:

- Long Stay Residents who have moderate to severe pain – 15.9% equals 14 residents in a 9 month period which includes approximately 6 Hospice residents.

- Long Stay High Risk Residents who have pressure sores – 8% equals 7 Residents in a 9 month period which includes approximately 6 Hospice Residents.

- Long Stay Percentage of Residents who had UTI – 10.5% equals 9 residents in a 9 month period; a number of these Residents have a history of chronic UTIs that were present prior to admission and experience flare ups which Lorien Bel Air continues to treat on a regular basis.

- Long Stay percentage of Residents who have / had a catheter – 6.1% equals 5 Residents in a 9 month period. It should be noted that during annual surveys over the last few years, Lorien Bel Air has not received a single deficiency for facility-aquired pressure ulcers, mis-diagnosed or nosocomial UTIs, or catheter acquired UTIs.

- Long Stay percentage of Residents whose need for help with daily activities has increased – one Quarter is N/A due to not having 30 Residents in the Reporting period and therefore a portion of the percentage is estimated.

- Short Stay percentage of residents who had moderate to severe pain – 29.4% equals 12 Residents in a 9 month period. The prior pain assessment protocol for Lorien Bel Air included the hospital data related to pain. Lorien Bel Air is now going to adjust its procedures and schedule assessments later in the process so that it focuses more on the Resident's facility experience and not the Hospital experience.

While the CMS Quality Measures are skewed against small facilities like Lorien Bel Air and Lorien Bel Air's record of Quality care is very good, it must be noted that the facility continuously monitors Quality indicators as a part of its ongoing Quality Assurance Program and adjusts its treatment protocols and practices as determined by its Quality Assurance Committee. In addition to its good Survey history and its Staffing Levels, Lorien has also just been awarded a Certificate of Achievement from the American Health Care Association and the National Center for Assisted Living for attaining Tier III status in the 2014 Quality Initiative Recognition Program, as shown by the Certiciate included on the following page.

AHCA® AMERICAN HEALTH CARE ASSOCIATION

NCAL® NATIONAL CENTER FOR ASSISTED LIVING

Certificate of Achievement

THIS CERTIFICATE IS PROUDLY PRESENTED TO

Lorien Nursing & Rehab Center Belair

in recognition of their attainment of Tier III in the
2014 Quality Initiative Recognition Program and
for their commitment to improving the lives of the individuals they serve.

February 25, 2015
Date

President and CEO
AHCA/NCAL

8. *Please summarize the impact of the Telemedicine Pilot Project referenced by Mr. Lyle E. Sheldon, President/CEO of University of Maryland Upper Chesapeake Health in his letter of support. Going forward, what is the expected influence this program will have on the continuum of services provided by Lorien Bel Air to seniors.*

Response: The best way to respond to Staff's question is to quote from the information presented about the Pilot Projects on MHCC's own website at:
http://mhcc.maryland.gov/mhcc/pages/hit/hit_telemedicine/hit_telemedicine.aspx

"Effective use of telehealth can increase access to health care, reduce health disparities, and create efficiencies in health care delivery. Telehealth is generally considered as a viable means of delivering health care remotely through the use of communication technologies. Telehealth can bridge the gaps of distance and health care disparity. Although telehealth is well established, a number of technology and policy challenges need to be resolved before its full potential can be realized."

"Telehealth is an important strategy for Maryland to embrace for its cost reduction benefits and to improve access and delivery of health care services. Both providers and consumers can benefit from telehealth. Consumers can experience expanded access to providers, faster and more convenient treatment, better continuity of care, reduction of lost work time and travel costs, and the ability to remain with support networks. Providers can experience instant access to other providers, a reduction of medical errors, an increase in efficiency with reduced travel and research times, and enhanced educational opportunities. "

"Recent Event

Advancing Telehealth through Innovative Transitions of Care Symposium

Wednesday, February 25, 2015 (4:00PM - 7:00PM)
House Office Building, Room 180;
6 Bladen Street, Annapolis, MD 21401

The Advancing Telehealth through Innovative Transitions of Care Symposium (Symposium) highlighted several key telehealth projects underway in Maryland and included presentations from prominent users of telehealth. Three MHCC telehealth grantees provided an overview of how they are using telehealth in transitions of care between acute care hospitals and comprehensive care facilities (CCFs). "

The event provided an opportunity for attendees to:

- Hear about leading challenges and solutions to telehealth adoption;
- Learn about the grantees' experiences in implementing telehealth and preliminary findings on how telehealth is reducing resident hospital admissions and transfers;
- Get a first-hand look at the telehealth technology implemented by the grantees;
- Understand grantees' successes and challenges of integrating telehealth technology within their clinical workflows; and
- Engage in conversation with telehealth users."

"Symposium Materials

Symposium materials, including presenters' slides are available [at http://mhcc.maryland.gov/mhcc/pages/hit/hit_telemedicine/documents/TLMD_event_materials_20150225.pdf]"

Telehealth Projects

"In September 2014, the Maryland Health Care Commission (MHCC) awarded three telehealth grants to study the impact of telehealth on improving the coordination of care between general acute care hospitals and comprehensive care facilities (CCFs). CCFs often do not have 24/7 access to primary and other health care services when needed, contributing to increased hospitalizations of CCF residents. Telehealth enables better coordinated care by virtually connecting a CCF with a physician and other support services.1 Improved care coordination in an effort to reduce unnecessary hospital encounters is a central goal in Maryland, particularly in an environment of global budgets where hospitals are at financial risk for readmissions."

The grantees are implementing nine-month telehealth projects and will assess how the use of telehealth technology impacts hospital utilization. A total of $87,888 was awarded in grant funds, and a dollar for dollar match is required of each grantee. In addition to telehealth technology, the grantees are required to use a nationally certified electronic health record and services of the State-Designated Health Information Exchange, the Chesapeake Regional Information System for our Patients (CRISP). The work of the telehealth projects, including lessons learned and best practices, will inform telehealth activities more broadly in the State. The telehealth projects are scheduled for completion in the fall of 2015. A summary of each of the three projects and the current status is below:"

Project Overview

"1) Atlantic General Hospital (Atlantic General) is working in partnership with Berlin Nursing and Rehabilitation Center (Berlin) in Worcester County to provide remote care to Berlin residents through telehealth. The project will assess how the provision of preventative onsite care via telemedicine can reduce costs associated with a) transportation to and from Berlin and Atlantic General, and b) emergency room visits and hospital

Admissions / readmissions from Berlin to Atlantic General. The project will also assess patient satisfaction in regards to the use of telehealth."

2) Dimensions Healthcare System (Dimensions) is working in partnership with Sanctuary of Holy Cross (Sanctuary) in Prince George's County to provide care for Sanctuary residents via virtual consultations and remote monitoring. The project will assess how use of telehealth technology impacts hospital admissions, readmissions, and emergency department visits. The project will also assess the impact of using telehealth on patients' reported quality of life."

3) University of Maryland Upper Chesapeake Health (Upper Chesapeake) is working in partnership with Bel Air facility of Lorien Health Systems (Lorien) in Harford County to extend emergency medical management expertise to Lorien 24 hours a day. The project will assess how use of telehealth impacts emergency room visits, admissions, and readmissions between Lorien and acute care hospitals."

* * * * *

The MHCC website also includes slides from a Power Point Presentation made at the February 25, 2025 Symposium. Entitled 'Reducing Unnecessary Hospital Utilization in CCF Population' the presentation by Upper Chesapeake and Lorien Bel Air explains in detail the Upper Chesapeake – Lorien Telehealth Pilot Project . It may be found at:

http://mhcc.maryland.gov/mhcc/pages/hit/hit_telemedicine/documents/TLMD_event_materials_20150225.pdf

Going forward, what is the expected influence this program will have on the continuum of services provided by Lorien Bel Air to seniors?

Lorien believes the Pilot Project will clearly demonstrate a substantial decrease in ED visits, and hospital admissions / readmissions while enhancing the Resident's quality of care. Going forward, aside from substantial cost savings, the use of such Telemedicine capabilities will enhance the quality of Resident care by allowing immediate access at all hours to health care services normally requiring transportation to EDs and avoidance of the discomfort and emotional trauma associated with emergency transportation to the hospital.

MHCC CON Staff was invited to the Symposium to learn more about the Pilot Project ans the MHCC initiative. Lorien Bel Air also extends an invitation to Staff to visit the Lorien Bel Air facility to examine its Telehealth capabilities.

9. *Please provide information provided to prospective patients and families that discuss the "aging in place" model of care and the level of services currently offered at Lorien Belair.*

   Response: Prospective Residents and their family members are given facility tours by Admissions and all services, options and charges are discussed, including the 4 Levels of Care that are offered. A Welcoming brochure is given them (attached) along with a Rate Sheet as found on the following pages.

   During the course of a Resident's stay at Lorien Bel Air, regular contact is maintained with the Resident and family. Staff keeps family members advised of the Resident's condition and any recommendations for adjustments to the level of care provided.

Lorien Bel Air Assisted Living & Skilled Nursing

Exhibit 1
Current Rate Schedule
Effective 01/01/2015

Assisted Living Foundation Program:
Services and Amenities to include:
Individual private apartment with kitchenette and full bath, All utilities, excluding phone and cable, Three delicious meals served daily, approved by our dietician, Weekly housekeeping and bed linens, Daily trash removal, Daily scheduled transportation, A well balanced activities and recreation schedule, 24-hour security, 24-hour nursing available, Daily safety checks (occurs at mealtimes), Reminders for dining and activities, Cueing and coaching assistance with activities of daily living, Assistance with medication administration, Use of emergency call system in room and bathroom.

Cost:	*Daily*	*Monthly (30 Day Estimate)*
Studio	*$157.00*	*$4710.00*
Deluxe Studio	*$166.00*	*$4980.00*
One Bedroom	*$191.00*	*$5730.00*
Monthly charge for Spouse	*$50.00*	*$1500.00*

Helping Hands Program
Designed for those residents in need of Limited assistance with Activities of Daily Living
All the services and amenities of the Foundation Program Plus:
Moderate physical assistance with, dressing, grooming, bathing (up to 3 times per week), Mobility (escorts to activities and meals), Increased safety checks (every 4 hours), Twice weekly housekeeping and linen service. Residents requiring intermittent orientation and / or redirection will be placed on this level.

Cost: *$18.00 Day* *$540.00 Monthly (30 Day Estimate)*

Helping Hands Plus Program
Designed for those residents in need of Moderate assistance with activities of daily living
All the services and amenities of Helping Hands and Foundation Program Plus: Physical assistance with dressing and grooming 2 per day, Increased safety checks as needed (up to every 2 hours), Increased nurse intervention. Residents requiring regular physical assistance with incontinence will be placed in this level. Residents requiring a one person assist while transferring will be placed in this level. Residents requiring frequent orientation / redirection will be placed in this level. Note: This program may only be offered in certain areas of the facility.
Cost: *$32.00 Day* *$960.00 Monthly (30 Day Estimate)*

Helping Hands Extended Care
Designed for those residents in need of Heavy assistance with activities of daily living.
All the services and amenities of Helping Hands Plus and Foundation Program plus:
Residents requiring continuous orientation/redirection will be placed in this level. Residents

requiring two-person assistance with transfers. Increased nursing intervention, hospice residents. residents discharged from hospital or skilled nursing unit at Lorien or any other skilled facility, anyone requiring a mechanical lift for transfers may be placed in this level. Increased safety checks as needed (up to every hour).

Cost: ***$47.00/Day*** ***$1410.00 Monthly (30 Day Estimate)***

Medication Management – A Nurse directly supervises the administration of medication for residents in need of skilled observation and assessment. Residents are monitored for adverse reactions or side effects, as well as any change in physical or mental status. Family and physician are notified immediately when changes are noted. Regular contact with client's physician is maintained.

Cost: Included in all Levels

Community / Admission Fee – A one time Community / Admission Fee of $3,000 is payable by all new residents prior to admission If the resident were to leave for medical reasons within the first 90 days of occupancy, the fee is refundable, subject to lease restrictions, on a pro-rated basis

Additional Costs:

- Private Telephone (resident or family to coordinate with telephone service provider)
- Cable Television (resident or family to coordinate with cable TV service provider)
- Day trips – Free in and around Bel Air. Fees vary according to site related charges for outside of Bel Air
- Physician and therapy services
- Pharmacy, medical and incontinence supplies.
- Personal Laundry -$7.50 per load delivered folded and put away.
- Guest Meals - $5.00 per guest per meal, Children ½ price, Under 5 free.
- Room Service delivery - $2 (2 complimentary sick trays per month)
- Beauty Salon – Please request current fee schedule at front desk.
- Fees for non- standard services not included in care or service plans may vary i.e. unscheduled transportation, apartment refurbishing (if vacated in the first year), Carpet Cleaning etc.
- Wander Guard – $220.00
- Replacement of call pendant - $210.00

10. *Please explain why the applicant seeks to add a total of 27 additional CCF beds to Lorien Belair instead of proposing a new CCF that would operate with all of the 97 projected CCF beds for Harford County, or adding beds to one of the other Lorien nursing homes in Harford County (Lorien Bulle Rock or Lorien Riverside Nursing Center). Please provide a cost comparison of the cost effectiveness in adding 27 beds to Lorien Bel Air versus the construction of a new nursing home facility with 97 CCF beds.*

Response: Alternatives were considered and it was decided that the proposed project was the best method of moving forward to meet the newly identified needs of the population in a manner consistent with Lorien Bel Air's model and its increasing demands for admission.

First, it should be noted that Lorien Bulle Rock is ineligible for expansion since it is a recently opened facility which is just ending its fill – up phase and is in the stabilization phase. In this regard, it has not experienced two years of occupancy at 90% as required by the applicable facility occupancy standard at COMAR 10.24.08.05.B(2).

Further, the existing 129-bed Lorien Riverside is unable to expand because of its existing site constraints which do not permit expansion.

Adding all 97 new beds to Lorien Bel Air was rejected since it would result in a very large 187 – bed CCF atop a very large Assisted Living Facility, since it, too would have to be expanded. Neither of these 'super-sized' alternatives is intended by Lorien's model. Further, such an alternative would cause density issues on the site while impacting future development of ancillary or health related projects.

Another alternative considered was to forego the 27 – bed further expansion of Lorien Bel Air and instead allow all the Harford County bed need to be met by a new 97 bed CCF to be developed by another entity or provider. However, Lorien Bel Air determined that as a result of increasing demand for admissions to Lorien Bel Air's CCF, the anticipated increase in admissions resulting from hospital discharges, the population growth and demographics cited in the Application, and the already planned expansion of the CCF, a further incremental increase in its bed complement was warranted. Further, the popularity of Lorien Bel Air's Assisted Living Facility necessitates an expansion of units on the 1st and 2nd Levels. Thus, the addition of the proposed new 27 beds would make a recognizable contribution to meeting the identified bed need while adding only incremental costs to the facility. In this regard, it should also be noted that none of the other existing facilities in Harford County has demonstrated any interest in coming forward to meet the identified bed need.

Further, a new 70-bed facility, as proposed in the other pending Application, will be consistent with the smaller scale facilities favored by Lorien and would lead to a more rapid fill-up and stabilization which is conducive to further related development on the site.

For all of the above reasons as well as the desire to expand access to a popular facility *with an Assisted Living component already in place*, the Applicant determined that both proposed projects were cost effective methods of meeting the newly corrected Harford County bed needs.

11. *Please describe the basis of the assumption that the estimated inflation rate will be 3% per year (11.25% for the 45 months).*

Response: The 3% annual inflation rate is a projected estimate based upon historical inflation data, rounded upward do as to be conservative. The United States of America, Bureau of Labor Statistics "CPI Detailed Report Data for December 2014" reports the annual increase in overall CPI (Consumer Price Index) to be 0.8% and the "Housing- Shelter" component to be 2.9%.

12. *Please specify the source of the other operating revenue projected in Tables G and H.*

Response: Other operating revenue projected in Tables G and H for year 20X3 is comprised of the following:

		Year 20X3				
Description		**Table G**	**Table H**			
Barber & Beauty		$ 76,000	$ 28,500			
Community Fee		45,000	-			
Meals Revenue, Guests		6,000	2,000			
Cable TV Fees		9,000	3,500			
Laundry		3,000	1,000			
Total		$ 139,000	$ 35,000			

13. *Please identify any Lorien project since 1995 that did not meet a term or condition within the initial time frame set forth in MHCC's regulations or set forth in the CON approval. For each such situation, summarize the reason for the deviation or delay and the outcome.*

Response: This Question has been withdrawn by Staff per March 4, 2015 telephone call to Lorien's counsel by CON Director Kevin McDonald.

[END]

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in this Application and its attachments are true and correct to the best of my knowledge, information and belief.

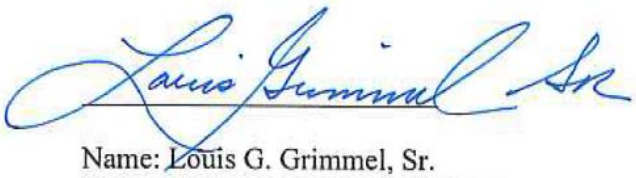
Date: Effective March 9, 2015

LOUIS MANGIONE, President
Lorien Harford III, LLC
dba Lorien Harford Nursing & Rehabilitation Center

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in this application (or completeness review responses) and its attachments are true and correct to the best of my knowledge, information and belief.

Date: March 9. 2015



Name: Louis G. Grimmel, Sr.
Title: CEO, Lorien Health Systems

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in this application (Completeness Review) and its attachments are true and correct to the best of my knowledge, information and belief.

Date: March 9, 2015

Norman E. Snowberger
Chief Financial Officer
Lorien Health Systems

Affirmation re: Budget, Operating Projections,

and Response to MHCC Inquiry dated February 24, 2015

I HEREBY DECLARE AND AFFIRM under the penalties of perjury that the facts stated in this application and its attachment(s) are true and correct to the best of my knowledge, information and belief.

Dated: March 9, 2015

MICHAEL J. SNARSKI, CPA

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information and belief.

Date: March 10, 2015

Name: Wayne Brannock
Title: Chief Operating Officer

Attachment – Drawings

Attachment – Facility Brochure